



**BUND CENTER INVESTMENT LTD**

.....  
**Half Year Financial Statement And Dividend Announcement**  
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**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) An income statement and statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED CONSOLIDATED INCOME STATEMENT  
 FOR THE PERIOD ENDED 30 JUNE 2014**

	<b>1st Half 2014 S\$'000</b>	<b>1st Half 2013 S\$'000</b>	<b>Change %</b>	<b>2nd Qtr 2014 S\$'000</b>	<b>2nd Qtr 2013 S\$'000</b>	<b>Change %</b>
Revenue	62,903	56,753	10.8	33,155	29,802	11.3
Cost of sales	<u>(30,337)</u>	<u>(30,115)</u>	0.7	<u>(15,311)</u>	<u>(15,436)</u>	(0.8)
Gross profit	<u>32,566</u>	<u>26,638</u>	22.3	<u>17,844</u>	<u>14,366</u>	24.2
Operating expenses						
Selling expenses	(2,845)	(2,814)	1.1	(1,610)	(1,677)	(4.0)
General and administrative expenses	<u>(9,937)</u>	<u>(9,383)</u>	5.9	<u>(4,875)</u>	<u>(4,640)</u>	5.1
Total operating expenses	<u>(12,782)</u>	<u>(12,197)</u>	4.8	<u>(6,485)</u>	<u>(6,317)</u>	2.7
Operating profit	19,784	14,441	37.0	11,359	8,049	41.1
Financial income	1,609	1,991	(19.2)	41	1,046	(96.1)
Financial expenses	(396)	(440)	(10.0)	(192)	(175)	9.7
Other operating income, net	<u>4,200</u>	<u>9,812</u>	(57.2)	<u>6,075</u>	<u>7,773</u>	(21.8)
Profit before income tax	25,197	25,804	(2.4)	17,283	16,693	3.5
Income tax	<u>(12,426)</u>	<u>(6,918)</u>	79.6	<u>(9,609)</u>	<u>(4,662)</u>	106.1
Total profit for the period	<u>12,771</u>	<u>18,886</u>	(32.4)	<u>7,674</u>	<u>12,031</u>	(36.2)
Attributable to:						
Owners of the Company	12,127	18,406	(34.1)	7,270	11,751	(38.1)
Non-controlling interests	<u>644</u>	<u>480</u>	34.2	<u>404</u>	<u>280</u>	44.3
	<u>12,771</u>	<u>18,886</u>	(32.4)	<u>7,674</u>	<u>12,031</u>	(36.2)

**1(a) A statement of total comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2014**

	<b>1st Half 2014 S\$'000</b>	<b>1st Half 2013 S\$'000</b>	<b>2nd Qtr 2014 S\$'000</b>	<b>2nd Qtr 2013 S\$'000</b>
Total profit for the period	12,771	18,886	7,674	12,031
<b>Other comprehensive (loss)/income:</b>				
<u>Items that may be reclassified subsequently to the profit or loss:</u>				
Foreign currency translation differences on consolidation, net of tax	(19,029)	20,666	(6,041)	12,537
<b>Total comprehensive (loss)/income for the period</b>	<u>(6,258)</u>	<u>39,552</u>	<u>1,633</u>	<u>24,568</u>
<b>Total comprehensive (loss)/income attributable to:</b>				
Owners of the Company	(6,179)	38,162	1,412	23,740
Non-controlling interests	(79)	1,390	221	828
	<u>(6,258)</u>	<u>39,552</u>	<u>1,633</u>	<u>24,568</u>

**ADDITIONAL INFORMATION**

	<b>1st Half 2014 S\$'000</b>	<b>1st Half 2013 S\$'000</b>	<b>Change %</b>	<b>2nd Qtr 2014 S\$'000</b>	<b>2nd Qtr 2013 S\$'000</b>	<b>Change %</b>
<b>Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items ("EBITDA")</b>	37,078	31,708	16.9	21,529	19,017	13.2
Interest on borrowings	(396)	(440)	(10.0)	(192)	(175)	9.7
Depreciation and amortisation	(10,542)	(10,351)	1.8	(5,210)	(5,236)	(0.5)
Foreign exchange (loss)/gain, net	(943)	4,887	n.m.	1,156	3,087	(62.6)
Profit before income tax	<u>25,197</u>	<u>25,804</u>	(2.4)	<u>17,283</u>	<u>16,693</u>	3.5

Note: n.m. – not meaningful.

**1(b)(i)A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	As at 30/6/2014 S\$'000	As at 31/12/2013 S\$'000	As at 30/6/2014 S\$'000	As at 31/12/2013 S\$'000
<b><u>Assets</u></b>				
Current Assets				
Cash and cash equivalents	134,392	20,174	35	1,369
Short-term investments	1,769	94,223	-	-
Trade receivables and other current assets	6,780	3,987	102,137	2,474
Inventories, at cost	390	431	-	-
	143,331	118,815	102,172	3,843
Non-Current Assets				
Interest in subsidiaries	-	-	410,659	410,659
Investments properties	250,246	266,423	-	-
Property, plant and equipment	194,130	206,128	-	-
Deferred tax assets	5,409	5,769	-	-
Deferred charges	686	724	-	-
	450,471	479,044	410,659	410,659
<b>Total Assets</b>	<b>593,802</b>	<b>597,859</b>	<b>512,831</b>	<b>414,502</b>
<b><u>Liabilities and Equity</u></b>				
Current Liabilities				
Trade and other payables	32,678	26,440	24	337
Income tax payable	4,281	3,826	-	-
Obligations under finance lease	19	19	-	-
	36,978	30,285	24	337
Non-Current Liabilities				
Borrowings	49,469	50,970	-	-
Long-term liabilities	12,232	11,763	-	-
Obligations under finance lease	50	60	-	-
	61,751	62,793	-	-
<b>Total Liabilities</b>	98,729	93,078	24	337
Equity Attributable to Owners of the Company				
Share capital	105,784	105,784	105,784	105,784
Share premium	304,881	304,881	304,881	304,881
Treasury shares	(1,154)	(1,154)	(1,154)	(1,154)
Asset revaluation reserve	65,175	65,175	-	-
Merger reserve	(133,639)	(133,639)	-	-
Foreign currency translation reserve	39,851	58,157	-	-
Retained earnings	99,043	86,916	103,296	4,654
	479,941	486,120	512,807	414,165
Non-Controlling Interests	15,132	18,661	-	-
<b>Total Equity</b>	495,073	504,781	512,807	414,165
<b>Total Liabilities and Equity</b>	<b>593,802</b>	<b>597,859</b>	<b>512,831</b>	<b>414,502</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

	As at 30/6/2014			As at 31/12/2013		
	Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
Amount repayable in one year or less, or on demand	19	-	19	19	-	19
Amount repayable after one year	49,519	-	49,519	51,030	-	51,030
<b>Total</b>	<b>49,538</b>	<b>-</b>	<b>49,538</b>	<b>51,049</b>	<b>-</b>	<b>51,049</b>

**Details of any collateral**

The secured borrowings are collateralised by certain property, plant and equipment.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2014**

	1st Half 2014 S\$'000	1st Half 2013 S\$'000	2nd Qtr 2014 S\$'000	2nd Qtr 2013 S\$'000
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	<b>25,197</b>	<b>25,804</b>	<b>17,283</b>	<b>16,693</b>
Adjustments for:				
Depreciation of property, plant and equipment	4,433	4,227	2,200	2,093
Depreciation of investment properties	6,095	6,111	3,003	3,137
Amortisation of deferred charges	14	13	7	6
Changes in fair value of financial assets at fair value through profit or loss	289	(78)	(9)	(18)
Property, plant and equipment written off	-	1	-	-
Interest income	(1,609)	(1,991)	(41)	(1,046)
Interest expense	396	440	192	175
Unrealised foreign exchange loss/(gain), net	2,329	(6,157)	(1,192)	(3,692)
Operating cash flow before working capital changes	37,144	28,370	21,443	17,348
Changes in working capital:				
Trade receivables and other current assets	(2,777)	(1,239)	(1,513)	(345)
Inventories	41	(9)	15	32
Trade and other payables	(1,984)	3,378	(388)	(1,150)
Cash generated from operations	32,424	30,500	19,557	15,885
Income tax paid	(6,340)	(6,537)	(2,633)	(4,105)
Interest received	1,593	1,991	10	1,046
Interest paid	(396)	(440)	(192)	(175)
<b>Net cash from operating activities</b>	<b>27,281</b>	<b>25,514</b>	<b>16,742</b>	<b>12,651</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2013 (cont'd)**

	<b>1st Half 2014 S\$'000</b>	<b>1st Half 2013 S\$'000</b>	<b>2nd Qtr 2014 S\$'000</b>	<b>2nd Qtr 2013 S\$'000</b>
<b>Cash flows from investing activities</b>				
Payments for deferred expenditure	(4)	-	-	-
Capital expenditure on investment properties	(32)	(166)	(32)	(166)
Capital expenditure on property, plant and equipment	(217)	(963)	(116)	(744)
Proceeds from short-term investments	89,523	-	51,765	-
<b>Net cash from/(used in) investing activities</b>	<b>89,270</b>	<b>(1,129)</b>	<b>51,617</b>	<b>(910)</b>
<b>Cash flows from financing activities</b>				
Payments of obligations under finance lease	(10)	(9)	(5)	(4)
Purchase of treasury shares	-	(1,154)	-	-
<b>Net cash used in financing activities</b>	<b>(10)</b>	<b>(1,163)</b>	<b>(5)</b>	<b>(4)</b>
Net increase in cash and cash equivalents	116,541	23,222	68,354	11,737
Cash and cash equivalents at beginning of the period	20,174	90,449	66,977	103,806
Effect of exchange rate changes on balances of cash held in foreign currencies	(2,323)	5,085	(939)	3,213
<b>Cash and cash equivalents at end of the period</b>	<b>134,392</b>	<b>118,756</b>	<b>134,392</b>	<b>118,756</b>

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b><u>The Company</u></b>	<b>Share Capital S\$'000</b>	<b>Share Premium S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total S\$'000</b>
Balance as at 1 Jan 2014	105,784	304,881	(1,154)	4,654	414,165
Total comprehensive loss for the period	-	-	-	(67)	(67)
Balance as at 31 Mar 2014	105,784	304,881	(1,154)	4,587	414,098
Total comprehensive income for the period	-	-	-	98,709	98,709
Balance as at 30 Jun 2014	105,784	304,881	(1,154)	103,296	512,807
Balance as at 1 Jan 2013	105,784	304,881	-	1,457	412,122
Shares buy back	-	-	(1,154)	-	(1,154)
Total comprehensive loss for the period	-	-	-	(67)	(67)
Balance as at 31 Mar 2013	105,784	304,881	(1,154)	1,390	410,901
Total comprehensive income for the period	-	-	-	33,496	33,496
Balance as at 30 Jun 2013	105,784	304,881	(1,154)	34,886	444,397

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>The Group</b>	← Attributable to Owners of the Company →									
	Share Capital	Share Premium	Treasury Shares	Asset Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2014	105,784	304,881	(1,154)	65,175	(133,639)	58,157	86,916	486,120	18,661	504,781
Profit for the period	-	-	-	-	-	-	4,857	4,857	240	5,097
Other comprehensive loss for the period – Foreign currency translation differences on consolidation	-	-	-	-	-	(12,448)	-	(12,448)	(540)	(12,988)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(12,448)	4,857	(7,591)	(300)	(7,891)
Balance as at 31 Mar 2014	105,784	304,881	(1,154)	65,175	(133,639)	45,709	91,773	478,529	18,361	496,890
Profit for the period	-	-	-	-	-	-	7,270	7,270	404	7,674
Other comprehensive loss for the period – Foreign currency translation differences on consolidation	-	-	-	-	-	(5,858)	-	(5,858)	(183)	(6,041)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(5,858)	7,270	1,412	221	1,633
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	-	(3,450)	(3,450)
Balance as at 30 Jun 2014	105,784	304,881	(1,154)	65,175	(133,639)	39,851	99,043	479,941	15,132	495,073

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

<b>The Group</b>	← Attributable to Owners of the Company →								Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Treasury Shares	Asset Revaluation Reserve	Merger Reserve	Foreign Currency Translation Reserve	Retained Earnings	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 Jan 2013	105,784	304,881	-	65,175	(133,639)	31,128	87,089	460,418	17,638	478,056
Shares buy back	-	-	(1,154)	-	-	-	-	(1,154)	-	(1,154)
Profit for the period	-	-	-	-	-	-	6,655	6,655	200	6,855
Other comprehensive income for the period – Foreign currency translation differences on consolidation	-	-	-	-	-	7,767	-	7,767	362	8,129
Total comprehensive income for the period	-	-	-	-	-	7,767	6,655	14,422	562	14,984
Balance as at 31 Mar 2013	105,784	304,881	(1,154)	65,175	(133,639)	38,895	93,744	473,686	18,200	491,886
Profit for the period	-	-	-	-	-	-	11,751	11,751	280	12,031
Other comprehensive income for the period – Foreign currency translation differences on consolidation	-	-	-	-	-	11,989	-	11,989	548	12,537
Total comprehensive income for the period	-	-	-	-	-	11,989	11,751	23,740	828	24,568
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	-	(1,111)	(1,111)
Balance as at 30 Jun 2013	105,784	304,881	(1,154)	65,175	(133,639)	50,884	105,495	497,426	17,917	515,343

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

The numbers of ordinary shares held as treasury shares as at 30 June 2014 and 31 December 2013 respectively was 5,184,000 ordinary shares.

There were no changes in the company's issued share capital since 31 December 2013.

**1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 30 June 2014 and 31 December 2013 was 3,036,775,440 ordinary shares.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

There were no changes in the number of ordinary shares held as treasury shares by the Company since 31 December 2013.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

These figures have not been audited, or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation consistent with those used in the audited consolidated financial statements for the year ended 31 December 2013.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted various new/revised International Financial Reporting Standards ("IFRS") and Interpretations to IFRS that are relevant to its operations and effective for the period beginning 1 January 2014. The adoption of these new/revised IFRS and Interpretations to IFRS has had no material impact on the true and fair presentation of the Group's financial statements.



6. **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	<b>The Group</b>			
	<b>1st Half 2014</b>	<b>1st Half 2013</b>	<b>2nd Qtr 2014</b>	<b>2nd Qtr 2013</b>
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	SGD0.40cents	SGD0.61cents	SGD0.24cents	SGD0.39cents
- Weighted average numbers of shares	3,036,775,440	3,039,238,556	3,036,775,440	3,036,775,440
(ii) On a fully diluted basis	Not applicable	Not applicable	Not applicable	Not applicable

7. **Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 Jun 2014</b>	<b>As at 31 Dec 2013</b>	<b>As at 30 Jun 2014</b>	<b>As at 31 Dec 2013</b>
Net asset value per ordinary share	S\$0.16	S\$0.16	S\$0.17	S\$0.14

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**Revenue and gross profit breakdown by segment:**

	<b>1st Half 2014 S\$'000</b>	<b>1st Half 2013 S\$'000</b>	<b>Change %</b>
<b>Revenue from:</b>			
Hotel	28,933	26,550	9.0
Property leasing	33,970	30,203	12.5
Total revenue	<u>62,903</u>	<u>56,753</u>	10.8
<b>Gross Profit from:</b>			
Hotel	12,210	9,881	23.6
Property leasing	20,356	16,757	21.5
Total gross profit	<u>32,566</u>	<u>26,638</u>	22.3
<b>Gross Profit Margin</b>			
Hotel	42.2%	37.2%	5.0
Property leasing	59.9%	55.5%	4.4
Overall	<u>51.8%</u>	<u>46.9%</u>	4.9

## **REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2014**

The Group recorded a higher revenue of S\$62.9 million for half year ended 30 June 2014 (“1H2014”), as compared to S\$56.8 million in the corresponding period in 2013 (“1H2013”). In line with higher revenue, EBITDA of the Group increased by 16.9% from S\$31.7 million to S\$37.1 million in 1H2014. Despite better operating performance, higher tax expenses and foreign exchange loss has resulted in lower net profit reported for the period of US\$12.8 million.

### **REVENUE**

The Group’s revenue increased by 10.8% to S\$62.9 million primarily attributable to higher leasing income from the Bund Center office tower and improved average occupancy rate in our hotel. The leasing income from our office tower increased by 16.3% mainly due to improved average leasing rate from 89.1% in 1H2013 to 96.4% and higher average rent rate, underpinned by sustained demand from multinational and domestic companies for office space for expansions and new set-ups.

Hotel revenue increased by 9.0% to S\$28.9 million in 1H2014 mainly due to increase in average occupancy rate from 62.6% in 1H2013 to 74.3%. The Group continues to achieve higher average occupancy and average room rate in the current period, as compared to the average occupancy rate and average room rate achieved by five-star hotels in Shanghai in the same period of 64.2% and RMB984 respectively (extracted from Shanghai Municipal Tourism Administration’s publication).

### **GROSS PROFIT**

In tandem with higher revenue achieved, while certain expenses in cost of sales, such as depreciation expenses, had remained fairly constant, the current period’s gross profit and gross profit margin increased by 22.3% and 4.9% respectively to S\$32.6 million and 51.8%, respectively.

### **OPERATING EXPENSES**

#### ***SELLING EXPENSES***

Selling expenses of S\$2.8 million mainly comprised advertising and promotion expenses, salaries and related expenses and marketing expenses.

#### ***GENERAL AND ADMINISTRATIVE EXPENSES***

General and administrative expenses mainly comprised salaries and related expenses, office and hotel supplies, repair and maintenance, tax and licences fees and management fee payable to the hotel operator. The 5.9% increase in general and administrative expenses was mainly due to higher management fee payable in line with higher hotel revenue, as well as higher salary and related expenses.

### **OTHER OPERATING INCOME, NET**

Net other operating income mainly comprised net foreign exchange (loss)/gain, business assistance grants, advertising income and other miscellaneous income (net of operating expenses). The reduction in net operating income was mainly attributable to net foreign exchange loss of S\$0.9 million recorded in 1H2014 as compared to gain of S\$4.9 million in 1H2013. The foreign exchange loss mainly comprised unrealised translation loss arising from revaluation of United States dollar (“USD”) denominated borrowings in our Chinese subsidiary, as well as revaluation of inter-company payables in certain investment holding subsidiaries.

### **INCOME TAX**

Income tax is derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

Income tax expense increased from S\$6.9 million to S\$12.4 million in 1H2014 mainly due to increase in withholding tax of S\$3.6 million, coupled with higher non-deductible expenses recorded in the current period.

## REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2014

### ASSETS

The Group's total assets of S\$593.8 million mainly consist of investment properties of S\$250.2 million; property, plant and equipment of S\$194.1 million and cash and cash equivalents of S\$134.4 million. Comparing to total assets as at 31 December 2013, the decrease of S\$4.1 million was mainly due to lower book value for investment properties and property, plant and equipment resulting from the weakening of RMB against SGD, and depreciation expenses of S\$10.5 million, despite higher cash flows generated from operations during the current period.

### LIABILITIES

The Group's total liabilities increased by S\$5.7 million to S\$98.7 million as at 30 June 2014 mainly attributable to increase in other payables relating to interim dividend payable to non-controlling shareholders and higher withholding tax.

## REVIEW OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2014

The increase in cash and cash equivalents in 1H2014 was mainly resulting from net cash generated from operating activities for the current period, as well as proceeds from redemption of short-term investments.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

In line with the national trend, Shanghai's GDP grew 7.2% year on year, picking up the pace of 7% in the first quarter of this year and indicating further economic stabilisation. The stable economic growth of China and the development of the Free Trade Zone in Shanghai will continue to boost demand for Grade-A office space. Nonetheless, our rental yield will remain under pressure given the increase in supply of new office spaces in both centralised and decentralised business areas in Shanghai, as well as new retail spaces in Ningbo. The operating environment for our hotel sector remains highly challenging given the increase in supply of new hotel rooms and rising operating costs. Going forward, the Group will continue to drive on yield strategy and enhance our service level in order to maintain and enhance our competitiveness.

## 11. Dividend

### **(a) Current Financial Period Reported On**

Any ordinary dividend declared for the current financial period reported on? Yes

Name of Dividend:	Interim dividend
Dividend Type:	Cash
Dividend Amount per share:	S\$0.032 per ordinary share
Number of shares:	3,036,775,440
Tax Rate:	Tax not applicable

### **(b) Corresponding Period of the Immediately Preceding Financial Year**

Any ordinary dividend declared for the corresponding period of the immediately preceding financial year?

Name of Dividend:	Interim dividend
Dividend Type:	Cash
Dividend Amount per share:	S\$0.01 per ordinary share
Number of shares:	3,036,775,440
Tax Rate:	Tax not applicable

### **(c) Date payable**

The interim dividend will be paid on 3 September 2014.

### **(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 26 August 2014 on which day no share transfer will be effected. Duly completed transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, up to the close of business at 5.00 p.m. on 25 August 2014 will be registered to determine shareholders' entitlements to the interim dividend.

## 12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

## 13. Interested persons transactions disclosure

There is no relevant interested persons transaction entered into during the half year ended 30 June 2014.

## **PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

### **14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

### **15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

**16. A breakdown of sales**

Not applicable.

**17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable.

**18. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL**

We, Frankle (Djafar) Widjaja and Chew Yow Foo, being two directors of Bund Center Investment Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the second quarter and half year ended 30 June 2014 unaudited financial results to be false or misleading.

**BY ORDER OF THE BOARD**

Frankle (Djafar) Widjaja  
Director  
14 August 2014

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Submitted by Kimberley Lye Chor Mei, Company Secretary on 14 August 2014 to the SGX